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Observations on Mr. Dundas's Letter...to the Chairman, and Deputy Chairman, of the East India Company

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*OBSERVATIONS*  
ON  
MR. DUNDAS'S LETTER,  
OF THE 30TH OF JUNE, 1801,  
TO THE  
CHAIRMAN,  
AND  
DEPUTY CHAIRMAN,  
OF THE  
*EAST INDIA COMPANY.*

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LONDON:  
*Printed by W. Williams, No. 35, Chancery-lane, for*  
J. S. JORDAN, No. 19, LUDGATE-HILL,  
And No. 180, FLEET-STREET, Corner of Fetter-Lane.

## N O T E.

In the year 1784, the Institution of the Board of Controul came recommended to Parliament by the engagement of Mr. DUNDAS, that the duties of the Commissioners should be performed without fee or reward, by persons who already held great offices, and proportionate salaries for other services. In 1793, Mr. DUNDAS found out, that this was a defective measure; so to make it complete, he complimented himself and the Commissioners with salaries to the amount of five thousand pounds a year, and an Establishment of eleven thousand pounds more.



# OBSERVATIONS,

Ec. Ec. Ec.

DECEMBER, 1801.

SINCE the Institution of the Board of Control, in 1784, Mr. DUNDAS has had the direct and absolute command of India and its Revenues, with the indirect and equally absolute disposal of the East India Company and their affairs. At the end of seventeen years, he washes his hands of the whole concern, retires with a pension of two thousand pounds a year, and leaves them in return a legacy in the shape of a farewell letter, containing an exact estimate of their future resources and prosperity, (that is, when they have paid their debts, reduced their expences, and very much improved their revenues), and a great deal of good advice into the bargain. To obtain these desirable objects some day or other, nothing is wanting now, but immediate assents, steady and unremitting attention, rigorous

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economy,

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economy, and, above all things, some of his own enthusiasm in the hearts of the present Directors. When he resigned his charge, there was little prospect of peace, and, to speak moderately, the Company were involved in great difficulties, which even *he* does not deny.—In point of honour and conscience, this does not seem to be exactly the period for relinquishing such a trust, much less for accepting a great pecuniary reward for services, which eventually had produced nothing but distresses, and which seem to have been abruptly withdrawn at the moment they were most wanted. The labours that are rewarded should be complete. This transaction on the face of it, and without disputing the services, is a little odd. If Mr. DUNDAS had been the Company's servant, *they* might have paid him; and if he had served them with fidelity and success, it would have been just and natural in *them* to reward him. But in fact, he was *their* master, expressly appointed by a higher power, to watch their proceedings, to govern their affairs, to controul their mismanagement, and to prevent their doing mischief.

mischief. Such invidious duties, if they were  
 ably and vigorously performed, might very  
 properly and honourably have entitled him to  
 a pension; but then it should have been given  
 by the power that employed him. He, who  
 really controuls another, though it be for his  
 good, is not very likely to win his affections.  
 For him, who is controuled, to pay and re-  
 ward voluntarily the person who controuls him,  
 carries with it an air of prevarication or collu-  
 sion, which tends a little to separate the honour  
 from the profit; and admitting that Mr.  
 DUNDAS's personal character sets him above  
 suspicion, who can tell what effect his example,  
 in this instance, may have on his successors?  
 They must succeed to his virtues, as well as to  
 his office, if their principles should constantly  
 lead them to sacrifice, as he has done, the  
 advantages of individuals, to the interest of the  
 body corporate.

But, waving the propriety of the pension in  
 itself, let us see a little in what situation of the  
 Company's affairs it was given, and by what  
 beneficial services it was earned. In this  
 enquiry,

enquiry, Mr. DUNDAS's final letter to the Directors will furnish some lights and great assistance. It is written, as usual, with an air of ostentation, and with as much confidence and security, as if he was talking to the House of Commons. A long possession of undisputed power is apt to make the wisest men inconsiderate. Mr. DUNDAS is yet to learn that there is a material difference between a careless audience and an attentive reader. This letter, though very obscure in its general composition, is full of assertions, predictions, promises, and calculations, as all his India Budgets have been. After labouring in the vineyard, in conjunction with the Directors, *for these seventeen years past*, he says, "it is obvious that if his plans" (*viz.* for the future relief of the Company's affairs) "*are* "*fit to be adopted, or are likely to be attended* "*with the wisest-for success, the exertions for* "*that purpose must originate with the East* "*India Company, and those exertions must* "*be continued with a steady and unremitting* "*attention.*"—Assertions of this sort cost nothing. If Mr. DUNDAS were an accountable person,

person, he ought to be called upon to shew, why it is so very obvious that this task should devolve to the Directors, why the exertions to perform it should originate with them, who, in fact, have no power, or why, during all the time, that the whole management of India was vested in *him*, he did not make some progress in the execution of these measures, or at least *set them in motion*? In one instance, which, in truth, is a pretty strong one, he even leaves it to *them*, (p. 20.) “who will of course feel it to be “*their* duty to represent the importance of it in “the most forcible manner to his Majesty’s Ministers, who, upon fully weighing the very “*brilliant effects* it will produce, cannot fail to “to be impressed with a full conviction of its “being *their* duty, &c.” In short, it is every body’s duty but his own.

One would think that, before he quitted the administration, *he* might have found an opportunity to make such an important representation. His Successor, *who is a person of amiable manners*, would undoubtedly have listened to him with attention, if it were only to know  
in

in what state the succession was left to him. Having omitted to do the duty himself, he bequeaths it to the present Directors and Ministers to do it for him. *Liberavit animam suam.* But, on what ground he concludes from his own omission or negligence to their activity, is not at all apparent. Of this and other particulars of the Letter, more shall be said hereafter. The general amount of the whole is that, provided the Court of Directors make many savings and retrenchments, if they observe a strict economy, and manage their affairs in future with consummate prudence, (p. 36.) “ if their servants  
 “ abroad are impressed with a full conviction that  
 “ the object the Directors have in view is so far  
 “ paramount to every other in the present mo-  
 “ ment as to claim their first attention,”—and above all things, “ if he can inspire their minds  
 “ with the same enthusiasm, with which his own  
 “ is animated, he shall *rest in confidence*, that  
 “ they will not disregard his parting advice;  
 “ but by adopting the means, which are in their  
 “ hands, *speedily* overcome their Indian Debt,  
 “ and thereby exalt their own characters!”—

Better

Better late than never. This anxiety for the character of the Directors is a new feature in his own. With the help of many *ifs*, and a new set of Estimates, he promises the India Company great prosperity hereafter. Be it so. But before they give him a new credit on the same account, they would do well to look back to some of his promises and professions in former times, to see in what manner they have been performed, and how far his predictions hitherto have been justified by the event.

Before we proceed to his Finance, it may not be amiss to take a short view of his Indian Policy. They are both of a piece.

In the year 1782, he proposed to Parliament that famous string of Resolutions, which were to be the basis of the future Government of India. Among the rest, it was declared, that “to pursue schemes of conquest, and extension of dominion in India, were measures repugnant to the wish, the honour, and the policy of this nation.”—The same proposition was soon after re-asserted with great solemnity, at the head of an Act of Parliament, drawn up by  
Mr.

✓ Mr. DUNDAS. Since that period, we have heard of nothing but war and conquest in India, the deposition of Nabobs, and great acquisitions of territory. The wars, as usual, have always been just and necessary, and the conquests not only not repugnant to the wish, the honour, and the policy of the nation, but, as soon as they were made, it was happily discovered that they were *essential* to the defence and safety of our former possessions. In his Majesty's Declaration of the 25th of October 1797, the restitution of the Cape and of the Dutch possessions in Ceylon, insisted on by the French in the negotiation at Lisle, is stated to be equivalent to a surrender into the hands of his Majesty's enemies, "of the necessary defences of his possessions, and the future safeguards of his Empire;" and Mr. DUNDAS is reputed to have declared in Parliament, that a Minister, who gave up these conquests, particularly the Cape, would deserve to lose his head. By the conquest of Mysore, great additions have been made to the Company's territorial possessions, and these, it seems, "increase the security of their own possessions,

“ by



“ *by narrowing their frontier, and annihilating*  
 “ *their most powerful and inveterate enemy.*”—

In the first place, it is not true, that TIPPoo SULTAN was their most powerful enemy. The Marattas were and are the only native formidable power in India ; and admitting, that TIPPoo was inveterate, it remains to be determined, whether our conduct to him did not make him so.—Compare the principles and the practice of Mr. DUNDAS’s political administration of India, and the result of the whole seems to be that, from 1782 to the capture of the Cape, Colombo, and Seringapatam, the Company’s possessions were not in a state of safety ; that these acquisitions, once made, are the *necessary defences* and *safeguards* of our Empire ; that, nevertheless, to make war for such acquisitions would have been repugnant to national policy as well as honour, and that the Minister who should restore them would deserve to be hanged.

With respect to the actual state of the Company’s finances in India, it is but justice to Mr. DUNDAS to begin with stating his own engagements to the public in his own words. In

the year 1790, he was sanguine; in 1792, he was more sanguine; and now, in 1801, he is grown a perfect enthusiast.—In the intermediate years, particularly in 1793, when he renewed the Company's Charter, all his speeches have been in the same strain. On the 24th of May 1791, he said, “I am not disposed to undervalue the resources of this country; but, notwithstanding any inauspicious aspect, the present affairs of India may be supposed to bear, I am still sanguine enough to hope that the day is much nearer, when the resources of India *will administer aid to the revenues of this country*, than that, on which we are to apprehend, that India will call for aid from the finances of Great Britain.”

5th June, 1792.—“To save any Gentleman the trouble of putting the question to me, whether I adhere to the hopes I gave last year, that the day is much nearer, when the resources of India will administer aid to the revenues of this country than that, on which we are to apprehend that India will call for aid from the finances of Great Britain, I anticipate

“ ciphate the question and answer in the affirmative : and the only difference is, that I am more sanguine in those hopes than I was at the time I first asserted them.”

In 1794, he reported to the House, on the pecuniary arrangements of 1793, and said, “ I have the satisfaction to reflect, that every statement, which has since been brought under consideration, has justified the expectations I entertained from the measures I then recommended to the adoption of Parliament.”

16th June, 1795.—“ In India the British possessions enjoy *an unexampled degree of prosperity*; the population of them encreases; the inhabitants become wealthy, and the revenue to Government is augmented. The revenues of Madras, that great drain on Bengal, in consequence of the countries ceded by Tippoo Sultaun, appear to be equal to it's ordinary expences in time of peace; and, when the improvements I have suggested shall be carried into effect, a surplus may probably be obtained towards the provision of the profitable investment of coast goods: and the

“ accounts from Bombay shew that the reve-  
 “ nues of that Presidency, and of the districts  
 “ on the Malabar Coast, are in a progressive  
 “ state of encrease.”

20th June, 1796.—“ Notwithstanding these  
 “ circumstances (*viz.* the war expences, &c.) I  
 “ have it still in my power to assert, that the  
 “ appearance of the affairs of the East India  
 “ Company, both at home and abroad, *is most*  
 “ *favourable.* The predictions I then ventured  
 “ to make have been all fully justified by the  
 “ events, and the sanguine hopes I long pro-  
 “ fessed to entertain (contrary to the opinions  
 “ of those, who disputed the correctness of the  
 “ statements on which they were founded) have  
 “ been all *completely realized.* Whatever cau-  
 “ tion may be proper to be observed in speak-  
 “ ing of future events, it would be acting un-  
 “ candidly towards the Committee, nor less so  
 “ towards the public at large, if a doubt was  
 “ suffered to exist of my opinion respecting the  
 “ profitable improvement in the state of affairs in  
 “ India. *That the prosperity has been hitherto*  
 “ *progressive, is fully ascertained ; and there is*

“ no

“ no hazard in asserting, that there is every prospect of this prosperity being yet considerably augmented.”

On the 25th of March 1800, he informed the House, that “ the estimate of the year 1793, now adverted to, was framed on the most accurate calculations prescribed by the experience of past years. That the prospects might not be over-rated, the resources, though evidently in a state of improvement, were taken on a moderate scale:—this is proved by the issue. Their produce has more than justified the expectations; and although fluctuations on so immense a revenue must naturally be expected, the estimate has been exceeded, in no less a sum than a million sterling, on the average: and it is satisfactory to observe, that notwithstanding some disappointments have occasionally happened in the realization of the Company’s own immediate resources, nothing has occurred to raise any doubt of their general stability and permanence.”

In his present letter, he is still confident in his hopes, he looks forward to *very brilliant effects*, and talks of the *expectations he is entitled*

*to entertain from the encreasing prosperity, cultivation, and consequent population of our Indian territories ; though for these expectations, for the first time in his life, he takes no credit.*

These are his pictures. Let us look at the facts. 1st. In June, 1801, he says, the Indian debt is *now* calculated to amount to fourteen millions sterling. The account signed by Mr. Wright says, that on the 30th of April, 1800, it exceeded fourteen millions and a half, exclusive of thirty-four lacks and a half, or 345,000*l.* sterling, of debt subscribed in India, in the preceding year, and transferred to England, where it augments the debt at home. In the estimates for the succeeding year, ending in April last, credit is taken in Bengal for the produce of Notes and Bills to be issued, and of loans to be negociated to the amount of one hundred and ninety three lacks of Sicca rupees, and at Bombay for twenty lack to be raised by a loan, all which reduced to current rupees, amount to 2,45,68,000, or two millions four hundred and fifty-six thousand eight hundred pounds. Then taking the services of the current

rent year, ending in April next, to require the assistance of loans to the same amount, the whole Indian debt ought not to be stated at less than current rupees 19,55,40,000, or nineteen million and a half sterling, *viz.*

	Current Rupees.
1st April, 1800 . . . .	14,64,04,018
1801 . . . .	2,45,68,000
1802 . . . .	2,45,68,000
	<hr/>
	19,55,40,000
	<hr/>

If such loans for the last and the current year are not raised, the services must be in arrear to the same amount, which as to mere debt is the same thing, but attended with many other disadvantages. To shew that this computation is not overloaded, and that in all probability the Indian Debt must amount, to a much greater sum than twenty millions in April next, let it be observed, that Madras is not charged with any new loan for these two years, and that the expence of the armament to Egypt, enormous as it has proved, creates an extra charge for this year, of which no calculation has been or can be made. Whatever it may

amount

amount to will be an addition to the debt of India. On these principles, to take the whole debt at twenty millions is a moderate statement.\* The ensuing year, from April 1802, to April 1803, ought to be considered as a year of war, in point of expence, because it is not possible that the military establishment can be materially reduced before the end of it, or that they can be provided for without a new loan for the service of that year. They, who know any thing of the fallacy of estimated disbursements and receipts, and how constantly the former exceed, and the latter fall short of the estimate, will not think it unreasonable to presume that, in April 1803, supposing all arrears

\* Private letters of unquestionable *authority* affirm that, in the course of last year, twenty-six lack of pagodas, amounting to more than a million sterling, were raised at Fort St. George, and applied to current services, not one pagoda to investment. The freight and demorage of the ships employed to carry the army to Egypt, amounted to six lack of rupees, or sixty thousand pounds per month: half that fleet went back to India, from Mocha and Judda, not being able to get higher up the Red Sea, where some of the ships were lost: the other half got no higher than Cossair, where they now remain on freight and demorage, at the rate of three lack, or thirty thousand pounds per month, waiting to carry back the army from Egypt to India.

liquidated,



liquidated, the Indian Debt must amount to twenty-two millions at least. These are the data, from which any one, who at all understands the subject, may judge for himself. Mr. DUNDAS says that, *at the renewal of the Charter, the idea was to reduce the debt in India to two millions.* In eight years, the result of this *idea* is a real, not an ideal debt of twenty millions. In the teeth of his former ideas, the Company's debt is actually encreased to twenty millions, instead of being reduced to two; and on this foundation, he *rests in confidence that they will not disregard his parting advice.*—Now what is his advice? Why, to pay their debts, which he has understated, in India only, to the amount of six millions; and then he takes his leave of the Company and all their affairs with the following grand and memorable sentence. “After the most mature consideration I can give the subject, in all its bearings and relations, I have a *deep-rooted conviction*, that your Indian debt is the only formidable enemy your Indian prosperity has to encounter. Subdue it, and you have subdued every thing, that ought rationally to be dreaded.”

In the same sort of style, Don Quixote exhorts and encourages Sancho Panza. “ These  
 “ ignoble foes are unworthy of *my* invincible  
 “ arm; therefore, do you, Sancho, draw *your*  
 “ sword like a man, and chastise them at your  
 “ leisure.”

Undoubtedly he, who meets his difficulties with resolution, who reduces his expences and pays his debts as fast as he can, takes the only wise and effectual course for retrieving his affairs, and re-establishing his credit. Retrenchments, œconomy, and long perseverance in a right direction, will certainly produce beneficial effects, that is, gradually and in time *not speedily*, and if no external embarrassment intervenes. At present, we are at a great distance from any real surplus of Indian Revenue applicable to investment. As to that remote and fortunate period, when it will be practicable as well as “ wise, after the example of  
 “ other Indian powers to have a depôt of treasure in your coffers in India, (p. 30.) to the  
 “ amount of three or four millions sterling, to  
 “ meet any sudden emergency, and to save  
 “ you the necessity of having immediate recourse  
 “ to

“to large loans,” the present generation have nothing to do with it. The Millenium of the Saints is just as near at hand. Before he talks of deposits of treasure in India, he ought to have exhibited a fund of net proceeds in England, to make good the payment of 500,000*l.* a year, to the Exchequer for the use of the public, on which condition the Charter was renewed; but of which only 500,000*l.* has been paid since the 1st of January, 1793; so that on this account, four millions will be due to the public on the 1st of January, 1802. He ought also to have completed, or at least have made a considerable progress in the purchase of stock in the public funds, towards establishing the guarantee fund, which in process of time was to have amounted to twelve millions of pounds sterling, and of which not one shilling’s worth of stock has been bought. He may well call the Indian Debt *a formidable enemy*; but is it true that the Company have nothing to dread in India but their debt? Is there no danger to such possessions, so held and managed as they are, but from external force? Does he seriously think so? These

questions are not fit to be canvassed publicly, but they ought not to be flighted. Much less is it safe to shut our eyes to those internal evils, which belong to the thing itself, and which, if not obviated, are as sure, though not so rapid in their operation, as the success of a foreign enemy.

Having stated the general pressure of the debt, and waving all farther dispute about the precise amount of it, let us see what course he takes to lessen it, and to produce a million surplus of Indian revenue applicable, *at the commencement of the plan*, to the purchase of investments, without which his whole project, whatever it is, confessedly falls to the ground. But first it should be observed that, to obtain an effective surplus of *one* million, he must find savings or improvements to the amount of *two*, because the true balance is actually against the Company by much more than one million. Now, as to savings, there are but two objects, on which they can be made to any material extent, *viz.*—The Civil and Military Establishments. On the first, amounting to nearly one million three hundred thousand pounds per annum,

annum, he proposes *no* saving, (p. 13.) because  
 “ he is convinced that any attempt to make  
 “ any considerable reduction in your Civil Esta-  
 “ blishments would be productive of all the  
 “ inconveniences attending inadequate allow-  
 “ ances to your civil servants. Such a system  
 “ would lead to all the fatal consequences,  
 “ resulting from the exaction of private unwar-  
 “ ranted allowances, which it has been the  
 “ great object of the present system of Indian  
 “ administration to annihilate.” The military  
 charges, including fortifications and marine,  
 amount to current rupees 631,93,563, or six  
 millions three hundred thousand pounds. On  
 this head Mr. DUNDAS expresses himself in the  
 following very remarkable terms:—(p. 12.) “ In  
 “ the orders you sent out some months ago,  
 “ considerable reductions *were made* in your  
 “ military expenditure, and I observe (in the  
 “ corrected estimate No. 4) that the saving in  
 “ consequence is *computed* at 270,000*l.*” The  
 reader is requested to weigh and examine these  
 expressions. The reductions exist in the orders  
 only, as the saving exists in the computation.  
 Supposing the former to be obeyed, and the  
 latter

latter to be actually made, the difference between the War and the Peace Establishment, on a total charge of six millions three hundred thousand pounds, would be only 270,000*l*. “ These reductions, he says, were ordered upon “ a very accurate examination, and to the best “ of my judgment, it would not be proper, in “ a future permanent arrangement, to make “ them to a greater extent.”\*

What

\* The enormous expence of the Military Establishment is as formidable an enemy as the debt, and much more difficult to be subdued. Mr. DUNDAS says, that reductions to a greater extent than what he proposes in the present letter, would, *to the best of his judgment*, be improper, that is, in a future permanent arrangement. Let us see what it is and what it was, and then compare his present language on the subject with what he said of it a few years ago. The Estimates for the year ending in April 1801, state the whole Military Charge for the three presidencies, (exclusive of Fortifications and Marine) at 5,907,196*l*. On the 25th of February 1793, he declared that in the estimates, on which he then proceeded in the renewal of the Company’s charter, “ he had computed on the lowest probable receipts, and on the “ highest probable disbursements.” Speaking of the first war with Tippo, and the acquisitions obtained by it, he says, that, “ instead of there being a necessity for our “ keeping up a larger military establishment in time of “ peace, there is every prospect of our being able to reduce it;” and he concludes with the following solemn declaration

What he means by postponing any part of an establishment, which actually exists, and is not to be reduced, is not at all obvious. An intended addition, such as that to the Artillery, may

declaration:—"On the whole of these considerations, "I have no hesitation in giving it as my opinion, that "the military expences may be reduced *below* the amount "previous to the late war."

He then states the Military Charges at the three presidencies, as they stood before that War, *viz* :—

" BENGAL.

" Military Charges, as before the late	
" War, Lord CORNWALLIS having	
" given it as his opinion, that the en-	
" crease made on that account might be	
" reduced."	— — — £. 1,380,000

" MADRAS.

" Military Charges, before the War, in-	
" cluding the King's Troops, amounted	
" to about Ps. 30 Laac"	— — — 1,200,000

" BOMBAY.

" Military, as before the War, 30 Laac"	337,500
	<hr/>
	£. 2,917,500
	<hr/>

The difference between the establishment proposed in 1793, and that now existing, is 2,985,696*l*. from which, if the reductions proposed in the present letter are deducted, *viz*. 369,000*l*. the permanent Peace Establishment of India will exceed that, for which he pledged himself in 1793, and which he affirmed had been computed on the

may certainly be deferred; but the postponing or not incurring an additional expence, is no saving on the present establishment. In this article he advises an augmentation to the amount of 54,000*l*. The whole estimated saving on the military charges will then stand thus:—

By orders lately sent - - - £ 270,000

By reductions now proposed by

Mr. WRIGHT in the native

Regiments - - - - - 153,000

£ 423,000

From which must be deducted the  
proposed augmentation to the

Artillery - - - - - 54,000

£ 369,000

the highest possible disbursements, by 2,620,696*l*. per Annum.

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Among other effects of the immense establishment of King's Troops in India, one is, that Pensions to the Officers of the Company's own Army, who in consequence of these arrangements have retired from the service, are now paid in England to the amount of 50,000*l*. per annum, and this is a growing charge.

On



On so great a war establishment, this is but an inconsiderable reduction; nor does it at all appear why so great a military force should be maintained in time of peace, when our most powerful enemy, Tippo, is annihilated; when it is impossible for an European enemy to attack us; and, when, as he asserts, “we have “encreased our security by *narrowing our “frontier*, (p. 15.) in consequence of the great “additions made to our territorial possessions.” This consequence is not very obvious. If true, it follows that our army should be contracted in the same proportion. But, (in page 13,) Mr. DUNDAS forgets himself, and calls it an *extended* Indian Empire, and, *therefore*, insists on a great addition to the artillery establishment.

In the first sixteen pages of his letter, he has stated no one specific saving but that above mentioned; and yet he ends the sixteenth page by saying, “that he has now stated to them a “saving on their estimates to an amount producing near a million surplus in India.” Where, when, and in what articles? But, at home he has great resources, which are to arise, not by saving, but by borrowing. First, he

advise the Company, for the fourth time, to augment their capital stock to the extent of two millions, by which he supposes four millions sterling will be realised. The produce of former augmentations of capital amounting to five millions and upwards is gone.\* The purchasers of this new stock will of course receive the same interest with the Proprietors of the old stock; but as *their* capital will not be included in the guarantee fund of 12,000,000*l.* that fund must be extended to 16,000,000 to cover the new capital.

In the ordinary commercial sense of the words, an augmentation of capital supposes an extension of trade, which cannot be carried on, and new sources of commerce, which cannot be supplied without a greater capital. Is that the case now? Is that the proposition which Mr. DUNDAS means to maintain? If it be, let

	<i>* Capital Subscribed.</i>	<i>Treasury Cash.</i>
1795, Increased Stock	£ 800,000	— £ 1,200,000
1799, Ditto —	1,000,000	— 1,700,000
1801, Ditto —	1,000,000	— 2,027,295
	<hr/>	<hr/>
New Capital	2,800,000	Cash 5,027,295
Old Capital	3,200,000	
	<hr/>	
	£ 6,000,000	

those

those Gentlemen answer him, who tell the Company that their trade to India is a losing trade; and that the best thing they can do, is to surrender it to their servants. Their reasons for thinking so have been given in detail, with evidence and arguments, which have not been answered. If it be not, then what is the essential difference between augmenting their capital to the extent of two millions, and borrowing and funding four millions sterling? In fact, it is a loan without a security and to pay debt; and if so, the result is, that in the same breath he says, "Subdue your debt and borrow four millions." His words are, "the money so raised should be invariably applied to the extinction of your debt in India."

Having availed himself of these retrenchments and loans, he proceeds to improvements, which are to arise *from the almost certainty of a progressive increasing revenue.* (p. 17.) In the beginning of 1804, a sum equal to 248,000*l.* will be *set free*; and when it is *set free*, "it will of course be applicable to the discharge of further debts of the  
" late

“late and present Nabob of Arcot.” And then the Company as a principal creditor will receive half of it. The Company ought to have been paid first : but, be it so. This supply of 124,000*l.* is not a very great object, and more than two years must elapse before any part of it can be received. If by the words, *a progressive encreasing revenue*, he means, what they directly imply, an augmentation of the landed revenue, for certainly in India there is no fund but the land, from which any material encrease can be obtained, the thing is impracticable, at least in Bengal. Lord Cornwallis’s settlement of the lands is made in perpetuity; consequently, there can be no encrease without breaking that settlement. If his reliance on these resources were ever so sincere, it can only be prospective. For the present, he must do without them; and here, at last, the truth comes out. After all his fine words about encreasing prosperity, and progressive revenue, about beneficial results, and brilliant effects, about accruing balances of cash, deposits of treasure, and the prospect of abundant affluence, he

concludes

concludes with informing the Directors that, in the *first* year of the operation, it will be requisite “to find *an aid to their Indian concerns* to “the amount of full five millions sterling, by exports, by bills from India, and by bullion to “the amount of two millions, to which amount “it *must be found*,” viz. in England, where the Bank is still unable to pay their notes in specie, where the course of exchange is against us with all Europe, and where the price of foreign silver is at 6s. 1½d. per ounce.

As to goods, it need only be observed, that if the Company had the means of sending to India in any one year, to the amount of two millions for sale there, (exclusive of stores, which are not to be sold) and were mad enough to use them, the consequence would be, that the greatest part of such cargoes would remain unsold, and perish or be given away.

In Mr. DUNDAS's estimate for the year 1793, on which the Charter was renewed, the goods for sale to India and China were taken at 800,000*l.* only, because it was well known, that the markets

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would

would not admit of more. As to the produce of bills from India, it is not likely to be considerable, unless they are granted on very exorbitant terms; because individuals, who have money there, have now another avowed channel for remitting their fortunes to Europe, *viz.* by investments of India goods on their own account, in their own ships, by which they not only provide for the remittance, but gain the merchant's profit.

With this comfortable intelligence he fulfills all his promises, and closes his administration.

OCCUPET EXTREMUM SCABIES.

THE END.









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